



**AUG - 2 2005**

The Honorable Mike Easley  
Governor of North Carolina  
20301 Mail Service Center  
Raleigh, North Carolina 27699-0301

Dear Governor Easley:

It is with pleasure that I respond to the State of North Carolina's request for waivers of statutory and regulatory requirements under the Workforce Investment Act (WIA). This action is taken under the Secretary's authority to waive certain requirements of WIA Title I, subtitles B and E and Sections 8-10 of the Wagner-Peyser Act. In the Strategic State Plan for Title I of the Workforce Investment Act and the Wagner-Peyser Act for the two-year period, July 1, 2005, through June 30, 2007, the state submitted four waiver requests. The following is the disposition of the state's waiver submission (copy enclosed).

**Requested Waiver 1: Waiver to increase transfer authority of Local Workforce Investment Boards from the current 30 percent to 100 percent for Adult and Dislocated Worker funds.**

This waiver request for funds transferability is consistent with one of the improvements that the Administration is seeking in the reauthorization of the Workforce Investment Act—the consolidation of the WIA Adult, WIA Dislocated Worker and Wagner-Peyser Act (Employment Service) funding streams. The request is written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c), and appears to meet the standard for approval at 20 CFR 661.420(e). Accordingly, North Carolina is granted a waiver of the funds transfer limitation at WIA Section 133(b)(4), through June 30, 2007. The waiver allows the state to approve local area requests to transfer up to 100 percent of local area allocations between the WIA Adult and Dislocated Worker programs.

**Requested Waiver 2: Extension of the waiver of the time limit on the period of initial eligibility at 20 CFR 663.530.**

The state indicates that an extension is needed to address the continuing difficulties in the collection of "all student" information from training providers. Without an extension, the state indicates that many training providers are likely to opt out of the Eligible Training Provider system, thus limiting customer choice. This request is written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c), and appears to meet the standard for approval at 20 CFR 661.420(e). Accordingly, the State of North Carolina is granted an extension of the waiver, through June 30, 2007.

Requested Waiver 3: Waiver to allow school dropouts ages 16 through 21 to be served in youth programs without regard to the individual's family income status.

Provisions related to eligibility of providers and participants are excluded from the WIA waiver authority and cannot be waived. The statute provides some flexibility to states in this area through a limited exception to the low-income criterion at WIA Section 129(c)(5). Additionally, the regulations (20 CFR 661.120) give states and local governments authority to establish their own policies and guidelines relating to verifying and documenting eligibility, as long as they are consistent with the statute, the regulations and other federal statutes.

Requested Waiver 4: Waiver to include the spouses of military personnel stationed in North Carolina as eligible participants in Dislocated Worker programs.

We do not have authority to waive eligibility requirements. Therefore, we cannot approve a waiver that would broaden Dislocated Worker program eligibility. However, according to ETA Training and Employment Guidance Letter (TEGL) 22-04, military spouses are eligible for the Dislocated Worker program if they are forced to leave employment to follow a military member when they are transferred. Additionally, a military spouse may also qualify to be served as a dislocated worker if he or she meets the definitional requirements for a displaced homemaker at WIA Section 101(10). If a military spouse does not qualify as a dislocated worker, including as a displaced homemaker, the individual may be served under the WIA Adult program. Further, the state has transfer authority between the Adult and Dislocated Worker programs. On this matter, we have provided as much flexibility as the law allows.

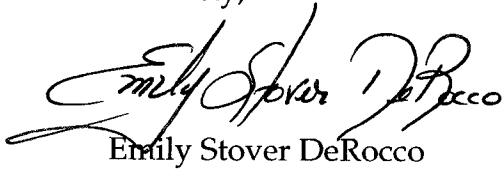
Requested Waiver 5: Waiver to allow Cumberland County Local Area to transfer military spouses served in Cumberland County's National Emergency Grant to their WIA formula-funded, Dislocated Worker program upon completion of the NEG grant, on December 31, 2005.

The NEG policy for military spouses requires them to be eligible as dislocated workers in the same way as described in TEGL 22-04. They must have quit a job to follow their spouse, and meet other eligibility requirements, such as being unlikely to be able to return to their previous industry or occupation. If Cumberland County Local Area is using that eligibility requirement for the military spouses served under their NEG, the spouses meet the Dislocated Worker program definition and the local area is able to serve them with Dislocated Worker funds as well. Accordingly, a waiver is not needed.

As provided for under paragraph 3 of the executed Agreement, the approved waivers are incorporated by reference into the State's WIA Grant Agreement. A copy of this letter should be filed with the WIA Grant Agreement and the Strategic Plan, as appropriate.

We look forward to continuing our partnership with you and achieving better workforce investment outcomes. We are prepared to entertain other state and local level waiver requests that you may wish to submit, consistent with the provisions of the WIA statute and regulations.

Sincerely,

A handwritten signature in black ink, appearing to read "Emily Stover DeRocco". The signature is fluid and cursive, with the first name "Emily" being the most prominent part of the script.

Emily Stover DeRocco

Enclosure